SBTs for Financial Institutions

Technical Deep Dive

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

August 6th, 2020, 16:00-16:45 CEST

Webinar

PARTNER ORGANIZATIONS

CDP DISCLOSURE INSIGHT ACTION

UN GLOBAL COMPACT

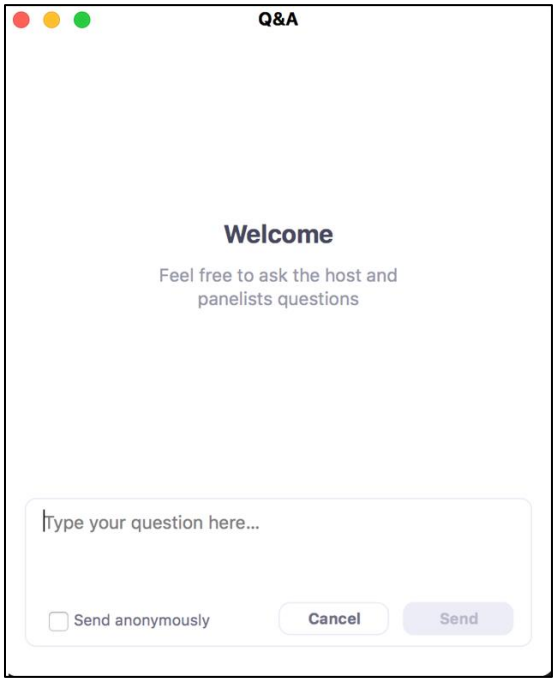
WORLD RESOURCES INSTITUTE

WWF

IN COLLABORATION WITH

WE MEAN BUSINESS

Welcome



This webinar is being recorded. Slides and recording will be posted to our website. They will also be emailed to you.

There will be time for questions at multiple points throughout the webinar.

Please type your questions into the Q&A box or raise your hand.

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Today's Speakers

Joris Cramwinckel
Technologist
Ortec Finance

Donald Linderyd
Project Manger Sustainable Finance
WWF

Chris Weber
Lead Energy & Climate Scientist
WWF

Agenda for Today

Topic	Time
Introduction and Overview of SBTi-Finance	5 min
SBTi-Finance Tool for Temperature Rating & Portfolio Coverage	5 min
Technical Tour	25 min
Q&A	25 min

Today's Goal is to get you up to speed in using, contributing and integrating the SBTi Finance tool for your use case

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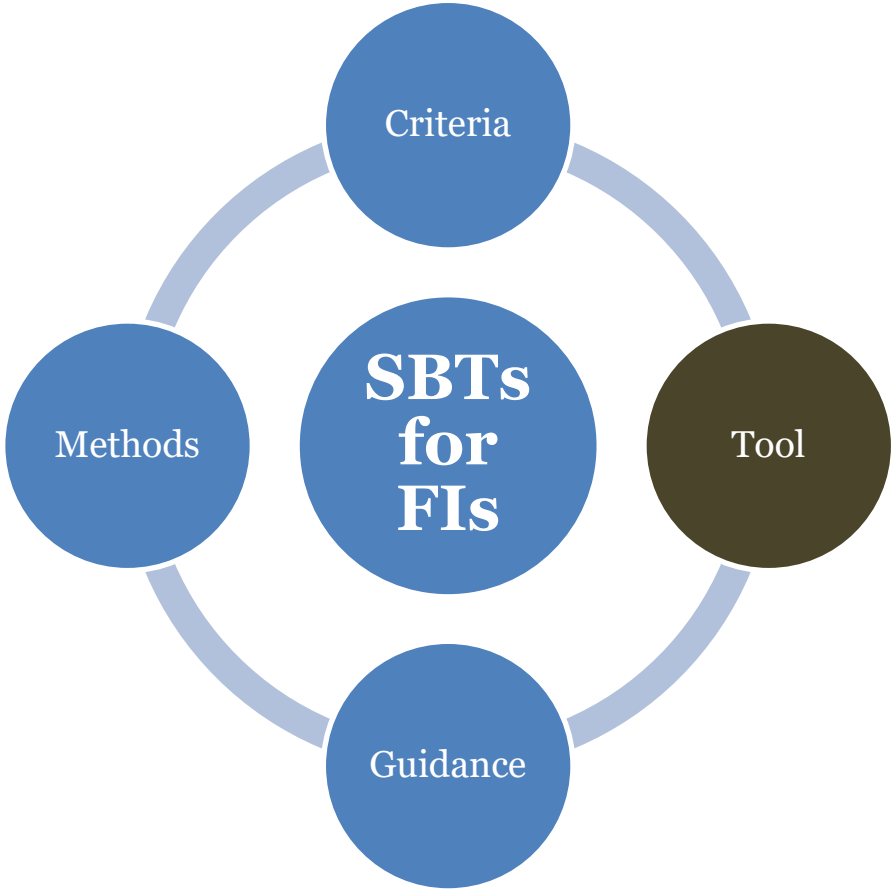
SBTi-Finance Framework | Project partners and roles

Managing Partner

Project Technical Partner

Finance Tool Project Partner

SBTi-Finance Framework | Framework components



SBTi-Finance Framework | Tool method & asset class coverage

Asset Class	Method	Description
Real Estate	Sector Decarbonization Approach (SDA)	Emissions-based physical intensity targets are set for non-residential buildings' intensity and total GHG emissions.
Mortgages	SDA	Emissions-based physical intensity targets are set for residential buildings' intensity and total GHG emissions.
Electricity Generation Project Finance	SDA	Emissions-based physical intensity targets are set for electricity generation projects' intensity and total GHG emissions.
Corporate Instruments (equity, bonds, loans)	SDA	Emissions-based physical intensity targets are set at sector level within the portfolio for sector where sectoral decarbonization approaches are available.
	SBT Portfolio Coverage	Financial institutions engage a portion of their investees (in monetary or GHG emissions terms) to have their own science-based targets such that they will reach 100% coverage by 2040.
	Temperature Rating	Financial institutions apply temperature rating method to come up with base- and target-year temperatures (e.g., 2.6°C in 2019 and 1.7°C in 2025).

Finance Tool

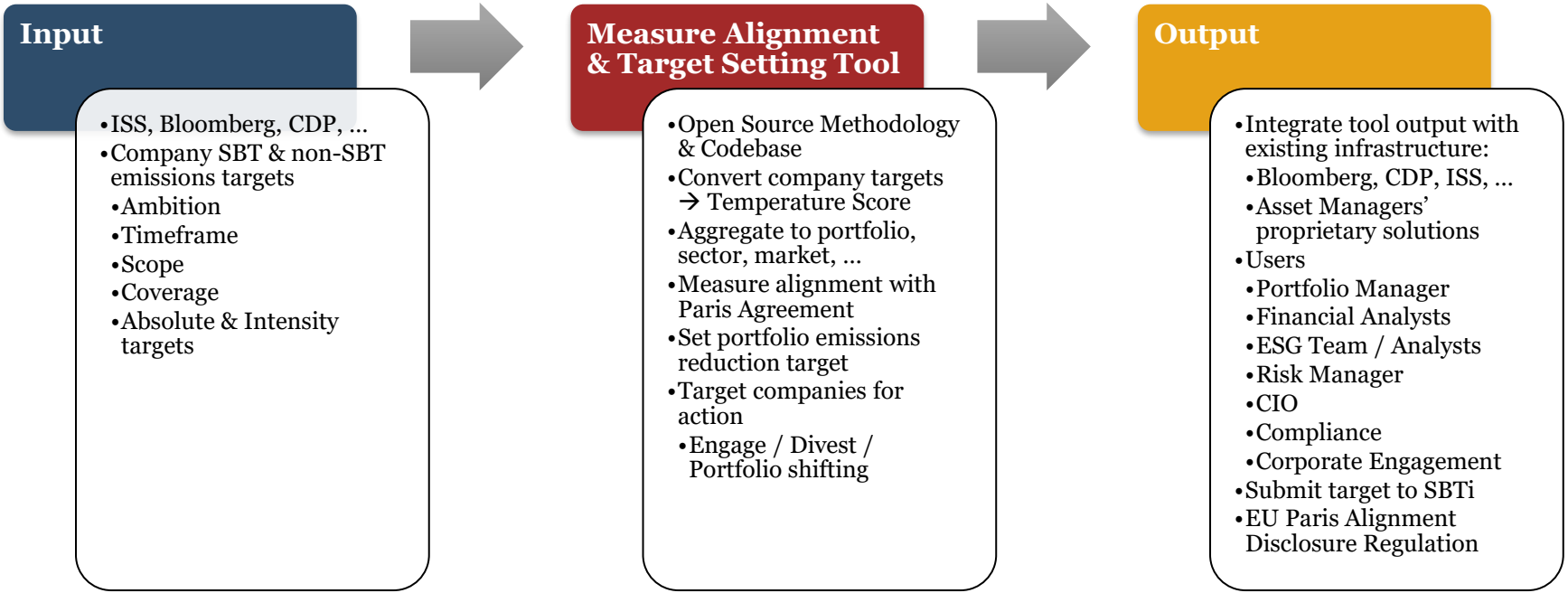
SBTi-Finance Tool Goals

- Temperature Rating & Portfolio Coverage Methodologies
- Open Source
  - Continued development
- Transparent
  - From corporate ambition through to portfolio temperature score
- Data Agnostic
  - Any data provider & own data lake
- Any User Interface
  - Service provider & homegrown decision support & portfolio management solutions
- Workflow tool for
  - Portfolio managers & CIOs
  - ESG & Financial analysts
  - Risk managers & Compliance

SBTi-Finance Tool Development Team

- Science Based Target initiative (SBTi)
  - WWF (project manager)
  - CDP
  - World Resources Institute
- Developers (open RFP selection process)
  - Ortec Finance
  - OS-Climate
- Data & Service Providers
  - Bloomberg
  - CDP
  - ISS
  - Trucost
  - Urgentem
- Users
  - Net-Zero Asset Owner Alliance

Temperature Alignment & Portfolio Coverage – Tool Structure



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Technical Tour

SBTi-Finance Tool – Three ways to test

AWS (Amazon Web Services)

- Easy to use
- Online tool
- Continuously updated
- Web browser interface
- http://beta.sbti-tool.org

Docker

- Runs on your local hardware
- No internet connection required after install
- Need to update application manually
- Web browser interface
- https://hub.docker.com/r/sbti/sbti_tool

Python

- Download from GitHub (https://github.com/OFBDABV/SBTi)
- Full access to code
- Integrate with your infrastructure

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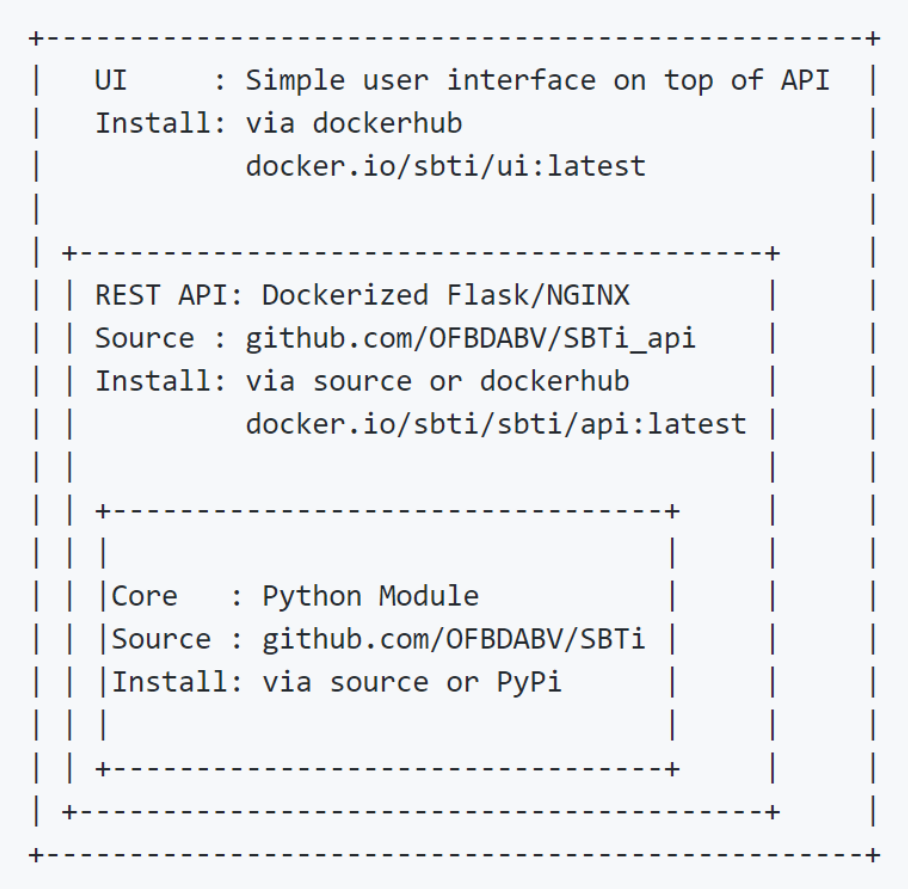
SBTi-Finance Tool – Three ways to use

Key philosophy: Bring the model to the data

Key Ingredients:

- Python3
- Docker



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When to use which? – Python Core

The sbti Python Package is a well documented packages for the SBTi methodology.

Available at PyPi

- Integration in your own Python codebase
- Perform Analytics with Jupyter notebooks
  - Example notebooks available

Project links

- PyPi Homepage
- Download
- Source Code
- Documentation
- Bug Tracker

```
+---------------------------------+
|                                 |
|Core   : Python Module           |
|Source : github.com/OFBDABV/SBTi |
|Install: via source or PyPi      |
|                                 |
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```

When to use which? – REST API

Temperature Microservice (REST API)

Exposes sbti Python Package in production quality API

- Supports Integration in workspace:
  - Platforms
  - Web applications
  - Data providers
  - Portfolio Mgt systems

Project links

- Source Code
- Documentation / Swagger Docs
- Bug Tracker
- Docker Hub


```
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| REST API: Dockerized Flask/NGINX      |
| Source : github.com/OFBDABV/SBTi_api  |
| Install: via source or dockerhub      |
|          docker.io/sbti/sbti/api:latest |
|                                       |
| +-----------------------------------+ |
| |                                   | |
| |Core   : Python Module             | |
| |Source : github.com/OFBDABV/SBTi   | |
| |Install: via source or PyPi        | |
| |                                   | |
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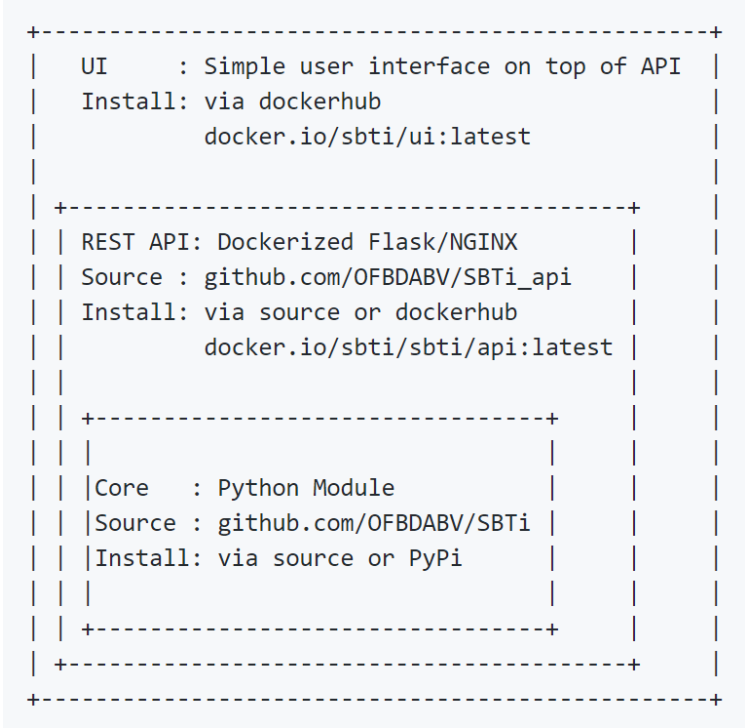
When to use which? – UI

Simple UI skin on API functionality

- Eases Testing and Demos
- Support Excel uploads for both Portfolio and Target data
- Multi container deployment (frontend/backend)

Project links

- Documentation on Teams
- Docker Hub
- Beta test version



Development Roadmap

Projectboard available here

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|                                 |
|Core   : Python Module           |
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|                                 |
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| Install: via source or dockerhub      |
|          docker.io/sbti/sbti/api:latest |
|                                       |
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```
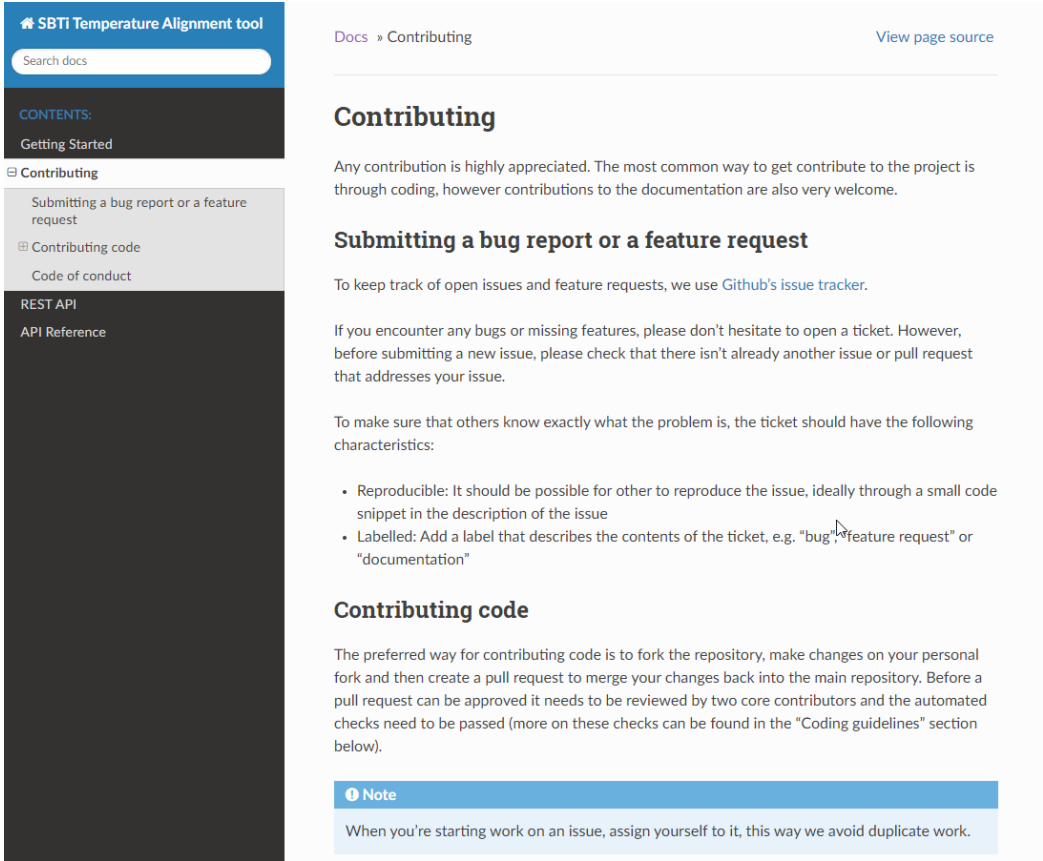

- Include more advanced examples notebooks to follow different use cases for asset managers and asset owners
- Some refactoring on internal data representation.
- Revise namings of input data columns

- migrate from using Flask to Fast API
  - Includes some refactoring
- Make the API async
  - Once the **data provider connectors** are live we do not control performance

+ your input

How to Contribute



SBTi Temperature Alignment tool

Search docs

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Getting Started

Contributing

Submitting a bug report or a feature request

Contributing code

Code of conduct

REST API

API Reference

Docs » Contributing View page source

Contributing

Any contribution is highly appreciated. The most common way to get contribute to the project is through coding, however contributions to the documentation are also very welcome.

Submitting a bug report or a feature request

To keep track of open issues and feature requests, we use Github's issue tracker.

If you encounter any bugs or missing features, please don't hesitate to open a ticket. However, before submitting a new issue, please check that there isn't already another issue or pull request that addresses your issue.

To make sure that others know exactly what the problem is, the ticket should have the following characteristics:

- Reproducible: It should be possible for other to reproduce the issue, ideally through a small code snippet in the description of the issue
- Labelled: Add a label that describes the contents of the ticket, e.g. "bug", "feature request" or "documentation"

Contributing code

The preferred way for contributing code is to fork the repository, make changes on your personal fork and then create a pull request to merge your changes back into the main repository. Before a pull request can be approved it needs to be reviewed by two core contributors and the automated checks need to be passed (more on these checks can be found in the "Coding guidelines" section below).

Note

When you're starting work on an issue, assign yourself to it, this way we avoid duplicate work.

Q & A

SBTi-Finance Tool - Support

- MS Teams group dedicated to support, feedback and discussion around the Temperature Scoring tool – registration link in "_read_me.docx" in documentation folder below & when you register as a beta tester.
- Email: finance@sciencebasedtargets.org
- Documentation: http://docs.sbti-tool.org/

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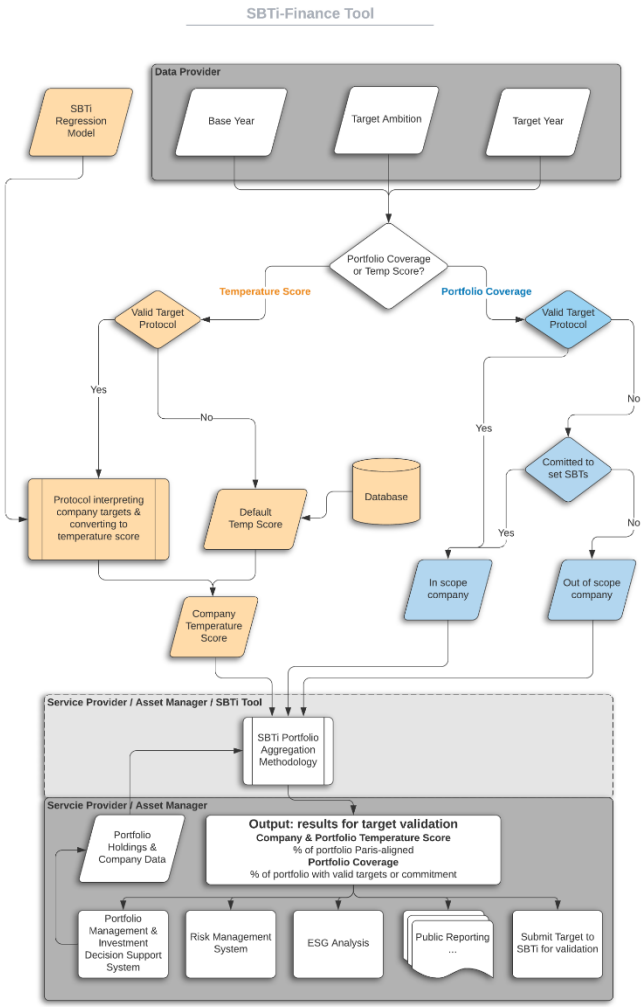
www.sciencebasedtargets.org

info@sciencebasedtargets.org

Appendix

SBTi-Finance Tool



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